



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

September 21, 2021

Maureen Demarest Murray
MMurray@foxrothschild.com

Exempt from Review – Replacement Equipment

Record #: 3680
Date of Request: September 2, 2021
Facility Name: Blue Ridge Radiology Associates, PA
FID #: 031137
Business Name: Blue Ridge HealthCare Medical Group, Inc.
Business #: 3282
Project Description: Replace existing CT scanner
County: Burke

Dear Ms. Murray:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced project is exempt from certificate of need review in accordance with G.S. 131E-184(a)(7). Therefore, you may proceed to acquire without a certificate of need the Siemens Somatom Go-Up CT Scanner to replace the Toshiba Aquilion – 64 CT Scanner. This determination is based on your representations that the existing unit will be sold or otherwise disposed of and will not be used again in the State without first obtaining a certificate of need if one is required.

It should be noted that the Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this office and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Ena Lightbourne
Project Analyst

Micheala Mitchell
Chief

cc: Radiation Protection Section, DHSR
Construction Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

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MAUREEN DEMAREST MURRAY
Direct No: 336.378.5258
Email: MMurray@Foxrothschild.com

September 2, 2021

VIA E-MAIL

Michealea Mitchell, Chief
Lisa Pittman, Assistant Chief
Ena Lightbourne, Project Analyst
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
NC Department of Health and Human Services
Michealea.mitchell@dhhs.nc.gov
Lisa.pittman@dhhs.nc.gov
Ena.lightbourne@dhhs.nc.gov

Re: Blue Ridge HealthCare Medical Group, Inc. CT Replacement

Dear Michealea, Lisa and Ena:

We represent Blue Ridge HealthCare Medical Group, Inc. (“Blue Ridge Medical Group”), a physician practice associated with Blue Ridge Healthcare Hospitals, Inc. d/b/a Carolinas Healthcare System Blue Ridge (“Blue Ridge”). We are writing to give prior written notice pursuant to N.C. Gen. Stat. § 131E-184 (a)(7) that Blue Ridge Medical Group plans to replace with comparable new equipment its existing computed tomography (CT) machine at its diagnostic center location at 2134 14th Avenue Circle, NW in Hickory.

This location is in Burke County and is listed as an outpatient imaging or diagnostic center on Blue Ridge’s website at [Blue Ridge Radiology - Hickory, NC \(carolinashhealthcareblueridge.org\)](http://Blue_Ridge_Radiology_-_Hickory,_NC_(carolinashhealthcareblueridge.org)). Blue Ridge acquired the existing fixed CT machine when it acquired Blue Ridge Radiology and its existing grandfathered diagnostic center in 2011. Blue

A Pennsylvania Limited Liability Partnership

California Colorado Delaware District of Columbia Florida Georgia Illinois Minnesota
Nevada New Jersey New York **North Carolina** Pennsylvania South Carolina Texas Washington

Michealea Mitchell, Chief
Lisa Pittman, Assistant Chief
Ena Lightbourne, Project Analyst
September 2, 2021
Page 2

Ridge Radiology is part of Blue Ridge Medical Group. Blue Ridge obtained a determination from the CON Section in June 2016 that Blue Ridge Radiology's imaging center was a CON grandfathered diagnostic center. See attached Exhibit A. The location has continued to the present to offer various imaging services including CT scans and to be a diagnostic center for certificate of need purposes.

The proposed CT replacement meets the definition of replacement equipment in N.C. Gen. Stat. § 131E-176 (22a), which permits without a CON acquisition of replacement equipment that costs less than two million dollars. The CT machine now needs to be replaced due to age, outdated technology and increasing maintenance challenges. The CT machine currently in use at Blue Ridge is a Toshiba Aquilion - 64. Attached as Exhibit B is a letter from Andrew Thomas, Vice-President of the Blue Ridge Medical Group, confirming that the existing CT machine is currently in use and will be disposed of out of state by the replacement equipment vendor, Siemens.

The existing CT machine will be replaced with a new Siemens Somatom Definition Edge 14450081. The replacement CT machine is comparable medical equipment pursuant to 10A NCAC 14C.0303 because it is functionally similar and used for the same diagnostic and CT purpose as the existing equipment. Both are used for CT imaging and perform the same types of procedures. The replacement CT machine has expanded capabilities due to technological improvements. The replacement CT machine will not be used to provide a new health service. For further equipment comparison, please refer to Exhibit C, a chart comparing the existing CT machine with the replacement CT machine, and the attached Exhibit C.1, which is a list of the procedures for which the existing CT is used and which are expected to be performed on the new CT.

The total cost to acquire, install and make operational the replacement CT machine is estimated at \$1,410,705.14, which includes construction costs of \$580, 138.34 and equipment cost of \$812,816.80. Architect and engineering fees, testing fees, information technology, removal of existing equipment, and a contingency are included in the total capital costs and outlined in the projected capital costs certified by a licensed architect and attached as Exhibit D.

We look forward to receiving your letter confirming that Blue Ridge Medical Group's replacement of its existing CT machine is exempt from certificate of need review pursuant to N.C. Gen. Stat. § 131E-184(a)(7) based on the information in this letter and the attached documentation. We request expedited consideration to enable Blue Ridge to order the CT as early as possible.



Michealea Mitchell, Chief
Lisa Pittman, Assistant Chief
Ena Lightbourne, Project Analyst
September 2, 2021
Page 3

If you have any questions or need additional information, please let us know.

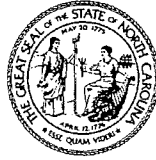
With kind regards, I am

Very truly yours,

A handwritten signature in blue ink that reads 'Maureen Demarest Murray'.

Maureen Demarest Murray

MDM/mpp



North Carolina Department of Health and Human Services
 Division of Health Service Regulation
 Certificate of Need Section

2704 Mail Service Center ■ Raleigh, North Carolina 27699-2704

Beverly Eaves Perdue, Governor
 Lanier M. Cansler, Secretary

www.ncdhhs.gov/dhsr

Craig R. Smith, Section Chief
 Phone: 919-855-3875
 Fax: 919-733-8139

June 16, 2011

Maureen Demarest Murray
 Smith Moore Leatherwood
 PO Box 21927
 Greensboro, NC 27420

RE: Inquiry/Status of operation of Blue Ridge Radiology Associates, PA, located at 201 E. Parker Road, Morganton, as a diagnostic center / Burke County

Dear Ms. Murray:

In response to your letter of May 18, 2011, the Certificate of Need Section has determined that Blue Ridge Radiology Associates, PA, operating at 201 E. Parker Road in Morganton, was a "diagnostic center" as defined in N.C.G.S 131E-176(7a) prior to March 18, 1993 because it owned and operated, on a single campus, medical diagnostic equipment that costs in excess of \$500,000, as indicated below.

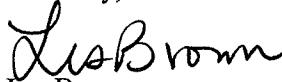
Equipment Costs:

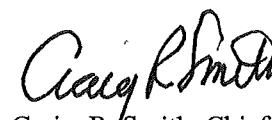
Mammography	\$52,950
CT Scanner	\$297,000
Fluoroscopy / Radiography	\$367,945
X-ray	\$66,000
Total Equipment Costs	\$784,495

This determination does not permit Blue Ridge Radiology Associates, PA to operate more than one diagnostic center or to relocate and operate the existing single diagnostic center on more than one campus.

It should be noted that this Agency's determination is based solely on the facts represented by you. Any change in facts as represented would require further consideration by this Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,


 Les Brown
 Project Analyst


 Craig R. Smith, Chief
 Certificate of Need Section

Cc: Medical Facilities Planning Section, DHSR





Carolinus HealthCare System
Blue Ridge

September 1, 2021

Michealea Mitchell, Chief
Lisa Pittman, Assistant Chief
Ena Lightbourne, Project Analyst
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
NC Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704
Michealea.mitchell@dhhs.nc.gov
Lisa.pittman@dhhs.nc.gov
Ena.lightbourne@dhhs.nc.gov

Via E-Mail

Re: Blue Ridge HealthCare Medical Group, Inc. – Highway 321 Replacement CT Scanner

Dear Ms. Mitchell, Pittman and Ms. Lightbourne:

I am the Chief Ambulatory Officer for Blue Ridge HealthCare Medical Group, Inc. (“BRMG”). BRMG has an office location at 2134 14th Ave. Cir. NW, Hickory, North Carolina 28601. This office is located in Burke County. I am familiar with the Computed Tomography (CT) Scanner equipment located at this office. The Aquilion – 64 by Toshiba is our only CT scanner at this location. It is currently in use on a regular basis. We acquired the CT scanner in 2011 when BRMG acquired Blue Ridge Radiology Associates, P.A. and its imaging center as well as other imaging equipment at this location. It is our understanding that BRMG received a certificate of need for the original CT and the imaging center is considered an existing diagnostic center for certificate of need purposes.

In connection with BRMG’s planned replacement of its existing CT scanner with a new CT scanner, we have contracted with Siemens to dispose of the existing CT scanner out of the State of North Carolina. The cost of disposal is included in the new equipment cost.

Sincerely,

Andrew Thomas, II
Chief Ambulatory Officer/
VP Medical Group

**BLUE RIDGE HEALTHCARE MEDICAL GROUP, INC. CT REPLACEMENT EQUIPMENT COMPARISON
August 2021**

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type (e.g., Cardiac Catheterization, Gamma Knife®, Heart-lung bypass machine, Linear Accelerator, Lithotripter, MRI, PET, Simulator, CT Scanner, Other Major Medical Equipment)	CT Scanner	CT Scanner
Manufacturer	Toshiba	Siemens
Model number	Aquilion - 64	Somatom Go-Up
Other method of identifying the equipment (e.g., Room #, Serial Number, VIN #)	CT Scan Room 221	CT Scan Room 221
Is the equipment mobile or fixed?	Fixed	Fixed
Date of acquisition		TBD
Was the existing equipment new or used when acquired? / Is the replacement equipment new or used?	Believe new	New
Total projected capital cost of the project <Attach a signed Projected Capital Cost form>		\$1,410,705.14
Total cost of the equipment		\$812,816.80
Location of the equipment <Attach a separate sheet for mobile equipment if necessary>	2134 14 th Ave Circle NW, Hickory, NC	2134 14 th Ave Circle NW, Hickory, NC
Document that the existing equipment is currently in use	Yes	
Type of procedures performed on the existing equipment <Attach a separate sheet if necessary>	See attached Ex. C.1	
Type of procedures the replacement equipment will perform <Attach a separate sheet if necessary>		Expect to be the same as current. See attached Ex. C.1

BRR CPT	Procedure Code
CT and CTA's	
CT abdomen and pelvis w/o contrast; renal stone	74176
CT abdomen and pelvis; with contrast i.e. enterography	74177
CT abdomen and pelvis; w/o contrast followed by with contrast	74178
CT abdomen w/o followed by contrast	74170
CT abdomen; w/o contrast	74150
CT abdomen; with contrast	74160
CT ablation renal radiofrequency	50592
CT cervical spine; w/o contrast	72125
CT cervical spine; w/o contrast followed by with contrast	72127
CT cervical spine; with contrast	72126
CT chest (thorax) w/o contrast followed by contrast	71270
CT chest (thorax) w/o contrast - high resolution - limited	71250
CT chest (thorax) with contrast, chest tube placement	71260
CT CTA Abdomen/Pelvis Panel	74174
CT CTA Abdomen/Pelvis Panel; two separate orders/codes	71275, 74174
CT CTA Chest/Abdomen Panel; two separate orders/codes	71275, 74175
CT head or brain; w/o contrast, stroke protocol	70450
CT head or brain; w/o contrast followed by with contrast	70470
CT head or brain; with contrast	70460
CT heart score	76380
CT heart; w/o contrast, calcium scoring	75571
CT lower extremity; w/o contrast	73700
CT lower extremity; w/o contrast followed by contrast	73702
CT lower extremity; with contrast	73701
CT lumbar spine; w/o contrast	72131
CT lumbar spine; w/o contrast followed by with contrast	72133
CT lumbar spine; with contrast	72132
CT maxillofacial area limited w/o contrast, sinus	70486
CT maxillofacial area; w/o contrast followed by with contrast	70488
CT maxillofacial area; with contrast	70487
CT maxillofacial area; w/o contrast	70486
CT neck soft tissue w/o contrast	70490
CT neck soft tissue with contrast	70491
CT orbit; sella or posterior fossa; w/o contrast	70480
CT orbit; sella or posterior fossa; w/o contrast followed by with contrast	70482
CT orbit; sella or posterior fossa; with contrast	70481
CT pelvis; w/o contrast	72192
CT pelvis; w/o contrast followed by with contrast	72194
CT pelvis; with contrast	72193
CT soft tissue neck; w/o contrast	70490
CT soft tissue neck; w/o contrast followed by with contrast	70492
CT soft tissue neck; with contrast	70491
CT thoracic spine; w/o contrast	72128
CT thoracic spine; w/o contrast followed by with contrast	72130
CT thoracic spine; with contrast	72129

CT upper extremity; w/o contrast	73200
CT upper extremity; w/o contrast followed by contrast	73202
CT urogram	74178
CT upper extremity; with contrast	73201
CTA abdomen; w/o contrast followed by contrast and further sections	74175
CTA chest no coronary	71275
CTA head and neck (order separately)	70496, 70498
CTA head; w/o contrast followed by with contrast	70496
CTA lower extremity	73706
CTA neck; w/o contrast followed by with contrast	70498
CTA pelvis; w/o contrast followed by with contrast	72191
CTA runoff AAA bilateral lower extremity	75635
CTA upper extremity	73206

PROPOSED TOTAL CAPITAL COST OF PROJECT

Project Name:

Tenant 2 Uplift in Medical Office Building located in Burke County on Hwy 321

Provider/Company:

David E. Looper & Company, Inc.

A. Site Costs

(1) Full purchase price of land.....	\$	-
Acres _____ Price per Acre _____	\$	-
(2) Closing costs.....	\$	-
(3) Site Inspection and Survey.....	\$	-
(4) Legal fees and subsoil investigation	\$	-
(5) Site Preparation Costs		
Soil Borings.....	\$	-
Clearing-Earthwork...	\$	-
Fine Grade For Slab...	\$	-
Roads-Paving.....	\$	-
Concrete Sidewalks...	\$	-
Water and Sewer.....	\$	-
Footing Excavation...	\$	-
Footing Backfill.....	\$	-
Termite Treatment.....	\$	-
Other (Specify) Concrete/ Soil Testing	\$	-
Sub-Total Site Preparation Costs	\$	-
(6) Other (Specify)	\$	-
(7) Sub-Total Site Costs	\$	-

B. Construction Contract

(8) Cost of Materials & Labor		
General Requirements	\$	30,796.00
Concrete/Masonry	\$	-
Carpentry / Doors / Windows / Finishes	\$	211,818.00
Thermal & Moisture Protection	\$	-
Equipment/Specialty Items	\$	26,765.00
Mechanical/Electrical	\$	184,171.00
Other (Specify)	\$	-
Sub-Total Cost of Materials, & Labor	\$	453,550.00
(9) Cost of Labor.....(See Item #8)	\$	-
(10) Other (Specify) Owner Contingency	\$	-
(11) Sub-Total Construction Contract	\$	126,588.34

C. Miscellaneous Project Costs

(12) Building Purchase.....	\$	-
(13) Fixed Equipment Purchase/Lease	\$	-
(14) Movable Equipment Purchase/Lease	\$	812,816.80
(15) Furniture	\$	-
(16) Landscaping /Irrigation System	\$	-
(17) Consultant Fees		
Architect and Engineering Fees	\$	17,750.00
Legal Fees.....	\$	-
Market Analysis.....	\$	-
Other - Shell A&E.....	\$	-
Other - Title.....	\$	-
Other - Developer Fee.....	\$	-
Other - Phase I, Survey Geo.....	\$	-
Sub-Total Consultant Fees.....	\$	17,750.00
(18) Financing Costs (e.g. Bond, Loan, etc.)	\$	-
(19) Interest During Construction	\$	-
(20) Other (Specify) NCDHSR Construction Section Review Fees	\$	-
(21) Sub-Total Miscellaneous..	\$	830,566.80
(22) Total Capital Cost of Project (Sum A-C above)	\$	1,410,705.14

I certify that, to the best of my knowledge, the above construction related costs of the proposed project named above are complete and correct.

Barry Paul Icard
 (Signature of Licensed Architect or Engineer)

I assure that, to the best of my knowledge, the above capital costs for the proposed project are complete and correct and that it is my intent to carry out the proposed project as described.

David E. Looper
 (Signature of Officer Authorized to Represent Provider/Company)
 (Title of Officer)



From: [Lightbourne, Ena](#)
To: [Waller, Martha K](#)
Subject: FW: [External] Blue Ridge HealthCare Medical Group Replacement CT Exemption Notice
Date: Thursday, September 2, 2021 12:05:06 PM
Attachments: [Blue Ridge HealthCare Medical Group CT Replacement Exempt from Review Request\(125962659.1\)-C.pdf](#)

Hi Martha, can you log this. Thanks.

From: Murray, Maureen Demarest <MMurray@foxrothschild.com>
Sent: Thursday, September 2, 2021 11:42 AM
To: Lightbourne, Ena <ena.lightbourne@dhhs.nc.gov>; Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>; Pittman, Lisa <lisa.pittman@dhhs.nc.gov>
Subject: [External] Blue Ridge HealthCare Medical Group Replacement CT Exemption Notice

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Good morning,

We hope that all of you are having a good week.

We represent Blue Ridge HealthCare Medical Group, Inc. Attached is prior written notice under NCGS 131E-184 (a)(7) of Blue Ridge HealthCare Medical Group's acquisition of a replacement CT scanner with supporting exhibits.

Please let us know if you have any questions. We look forward to hearing back from you.

Hope you have a wonderful Labor Day weekend, Maureen

Maureen Demarest Murray

Partner and Health Care Practice Co-Leader

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